

THE TRANSPORTATION LINK



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Director of the
Office of Small and
Disadvantaged
Business Utilization

At the Office of Small and Disadvantaged Business Utilization (OSDBU) we frequently get inquiries on the various certification programs applicable to government contracting. This month, our lead article outlines the primary certification programs that you should be familiar with and provides contact information for each.

Our success story this month is Health Care Dynamics International. Their focus on customer service has proven successful in their contracting partnership with the Federal Transit Administration (FTA).

The OSDBU will be holding a small business Transportation Marketplace in Birmingham, Alabama on July 17. Please watch the *What's News* page of our web site at <http://osdbuweb.dot.gov/> to learn more about it.

I would like to congratulate the DOT small business team for receiving the Federal Gold Star and Agency Goaling Awards. The team effort exhibited by OSDBU and the operating administrations is proof of the ONE DOT commitment to encouraging and assisting our small business family to participate in DOT and DOT-assisted contracts and grants. Thanks to all of you for your hard work!

Updated Certifications Lead to Marketing Opportunities at DOT

The Department of Transportation (DOT) wants small businesses to update their certifications and win federal contracts.

One of the important items a business can obtain for its business development is the applicable certifications that may be required for federal contracts. The U.S. Department of Transportation's (DOT) Office of Small and Disadvantaged Business Utilization (OSDBU) strongly encourages small businesses (including veteran-owned, service-disabled veteran-owned, HubZone, disadvantaged, and women-owned businesses) to investigate the various types of certification programs offered by both the Small Business Administration (SBA) and DOT. On the federal procurement side, SBA has certifications programs that support small and disadvantaged businesses. The DOT program applies to projects, which include DOT funding, at the state and local levels.

Now is a good time to review these programs and ensure that your firm's small business certifications are in order so they can assist in marketing your goods and services to DOT.

Small Disadvantaged Business (SDB) Program

Disadvantaged business development programs of the SBA are intended to provide support for small businesses so they can grow and be successful in the long term.

The Small Disadvantaged Business (SDB) Certification Program is one of two of SBA's programs targeted towards providing business assistance for small disadvantaged businesses. This certification pertains specifically to federal procurement.

When the SBA certifies a business as SDB qualified, and the firm is in one of 55 industrial classifications, that business immediately becomes eligible for special bidding advantages. Moreover, it substantially increases its subcontracting opportunities with Prime Contractors who accumulate evaluation credits by 'subbing' out to qualified SDBs.

SDB Certification could mean a potential price evaluation credit of up to 10 percent for a firm bidding on federal contracts in an industry cited by the Department of Commerce as still suffering from the effects of discrimination. To see these targeted industries, go to <http://www.sba.gov/sdb/indexaboutsd.html>.

If you can answer the following questions in the affirmative, you may be eligible for certification as a SDB by the SBA.

1. Are you African American; Hispanic American; Native American; Asian Pacific American; or Subcontinent Asian American?
2. If you are not one of the above, can you show a preponderance of evidence that you have been subjected to prejudicial treatment?
3. Do you have a net worth of less than \$750 thousand (not counting the value of your business or home)?

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OSDBU

Office of Small
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wants to hear from you! Call us toll-free at 1 800 532-1169 with questions or comments about this newsletter or our web site. The Transportation Link's content may be reprinted without permission.

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4. Does your business meet applicable size-standards for small businesses in your industry?

Small businesses interested in SDB certification can obtain an application and other information on-line at <http://www.sba.gov/sdb> or by calling toll-free 1-800-558-0884.

8(a) Business Development Program

SBA's 8(a) Business Development Program features a wide array of assistance benefits to socially and economically disadvantaged firms.

This program helps companies access management expertise, technical assistance, and capital. Unlike the SDB program, 8(a) applicants must generally be in business for at least two years before applying.

The requirements to enroll in the SBA's 8(a) Program are similar to those for SDBs with the exception being Question # 3. The 8(a) Program requires an applicant's personal net worth to be less than \$250 thousand (excluding his or her ownership interest in the applicant firm and the equity in his or her personal residence). Once a firm has been accepted into the SBA's 8(a) Program, it is automatically qualified for all SDB benefits.

The 8(a) Program provides a more comprehensive array of business development services than the SDB program. That is why it's a little tougher to get into and it has more reporting requirements.

In addition, 8(a) Program participants have business opportunity specialists assigned to them for helping their firms evolve into economically viable business entities.

8(a) businesses also are eligible to participate in SBA's Mentor-Protégé program. This program allows small businesses to form potentially lucrative private sector relationships with successful businesses that could provide joint-venture opportunities to raise capital, win large contracts, and provide valuable technical and managerial assistance.

Good standing in this SBA administered program may lead to other forms of federal assistance.

If your firm is a federal prime contractor and or subcontractor and you qualify for the 8(a) Program, you should

consider getting your 8(a) certification so you can present your firm as a SDB. If you want to present your firm as a SDB, but you do not qualify for 8(a) Program participation or you do not feel you have an immediate need for the business development assistance offered participants in the 8(a) Program, you should apply for SDB certification directly.

To learn more about SBA's 8(a) Program, and to apply on-line, visit the SBA web site at <http://www.sba.gov/8abd/>

Very Small Business Set-Aside Pilot Program (VSB)

The Very Small Business (VSB) program is an extension of the small business set-aside program developed to help the smallest businesses get a "foot in the door" of the federal procurement market. This program focuses on businesses that have 15 or fewer employees together with average annual revenue that does not exceed \$1 million. Implemented in September 1998, the pilot program has been extended to September 30, 2003.

Federal contracts for procurement of supplies or manufactured items ranging in size from \$2,500 and \$50,000 must be set aside for very small businesses if:

- The contract will be awarded by a government buying office located within one of 10 designated pilot districts; and
- There is a reasonable expectation of obtaining competitive bids from two or more responsible very small businesses that are headquartered in that same geographic region.

For procurements of the same dollar amount noted above involving service or construction requirements, contracting officers must set aside the effort for VSB concerns if:

- The contract will be performed in one of the 10 areas included in the pilot; and
- The contract will be awarded by a government buying office located within one of 10 designated pilot districts; and
- There is a reasonable expectation of obtaining competitive bids from two or more responsible very small businesses that are headquartered in that same geographic region.

SBA has made the distinction between service or construction require-

ments and requirements for supplies or manufactured items because of the size of VSB concerns and their limited ability to perform contracts outside of the geographic area where they are located. For a service or construction requirement, the place of performance is what is critical to a VSB, not the location of the buying activity. The VSB program is intended to give local smaller businesses a chance to perform local requirements. For a service or construction business, that means requirements that will be performed close to where the firm is located. Conversely, for a manufacturing firm or one that provides supply items, the place of ultimate delivery is not important. It is the location of the buying activity that matters to such a firm.

To learn more about this program and to see a listing of the designated pilot areas, visit the SBA web site at <http://www.sba.gov/GC/indexprograms-vsbs.html>

HUBZone Eligibility

The HUBZone Empowerment Contracting program provides federal contracting opportunities for qualified small businesses located in distressed areas.

Fostering the growth of these federal contractors as viable businesses for the long term helps to empower communities, create jobs, and attract private investment.

The HUBZone Program was enacted into law as part of the Small Business Reauthorization Act of 1997 and is administered by the SBA. The program encourages economic development in historically underutilized business zones (HUBZones) and through the establishment of preferences. As of October 1, 2000, all federal agencies are subject to the requirements of the HUBZone program.

If current procurement patterns hold, the federal government will be earmarking approximately 6 billion dollars in contract awards for HUBZone small businesses within the next five years.

Here are the eligibility questions for participating in the HUBZone Empowerment Contracting Program:

1. Is your firm a small business?
2. Is your firm's principal office located within a designated HUBZone area?
3. Is the firm owned and controlled by

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one or more U.S. Citizens?

4. Do at least 35 percent of the firm's employees reside in a HUBZone?

To find out whether or not your business is located within a HUBZone, visit <http://map.sba.gov/hubzone/>

SBA certifies firms for eligibility to receive HUBZone contracts and maintains a listing of qualified HUBZone small businesses that federal agencies can use to locate prospective vendors.

You can learn more about the HUBZone program and apply electronically on the SBA web site at <http://www.sba.gov/hubzone/>

Veterans Business Development

Veterans of the United States Armed Forces have been, and continue to be, vital to the small business enterprises of the United States. In an effort to assist veterans, particularly service-disabled veterans, in playing a greater role in the economy of the United States by forming and expanding small business enterprises, the "Veterans Entrepreneurship and Small Business Development Act of 1999" was passed.

As a result of this legislation, the SBA's Office of Veterans Business Development (OVBD) was formed. The mission of this office is to formulate, execute, and promote policies and programs of the SBA that provide assistance to veterans in starting and developing small businesses.

The OVBD provides information and assistance for a number of resources and programs to the veteran business owner. There are Veteran Business Development Officers located in SBA offices throughout the U.S. and the Veterans Business Outreach Program (VBOP) which was designed to provide development services such as business training, counseling, and mentoring to eligible veterans owning or considering starting a small business.

There is no formal certification process for a veteran-owned business. Veteran-owned businesses are encouraged to self-certify by registering in databases such as SBA ProNet. *You can learn more about ProNet and register on line at <http://pro-net.sba.gov>.*

To learn more about the SBA OVBD and the services they provide, visit

the website at <http://www.sba.gov/VETS/>

The Department of Veterans Affairs also maintains the Center for Veterans Enterprise designed to promote business opportunities for veterans. The primary goal of this organization is "To support economic empowerment for every veteran entrepreneur and to provide resource assistance for veterans and service-disabled veterans who are considering business ownership."

In order for a business to represent itself as "veteran-owned," or "service-disabled veteran-owned" 51% of the ownership and control of the enterprise must be maintained by veteran(s) to be classified as a "veteran-owned business" or by "service disabled veteran(s)" to qualify as a "service-disabled veteran-owned business." Federal solicitations contain a provision for veterans to self-represent their status. For prime contract actions with federal agencies, an owner self-represents his or her status by action on the "Small Business Program Representation, FAR 52.219-1," or the "Offeror Representations and Certifications - Commercial Items, FAR 52.213-3." The business owner's signature on the offer is all that is needed to be eligible for federal contracting.

To learn more about the Center for Veterans Enterprise, visit the website at <http://www.vetbiz.gov> or call toll free (866) 584-2344.

DOT's Disadvantaged Business Enterprise (DBE) Program

The U.S. Department of Transportation's (DOT) Disadvantaged Business Enterprise (DBE) Program was developed to help small businesses owned and controlled by socially and economically disadvantaged individuals, including minorities and women, to participate in contracting opportunities created by DOT financial assistance programs. The DBE program applies to projects funded at the state and local level as well as federal efforts; therefore, a business needs to be aware that state and local governments may have other types of certifications with different requirements. The U.S. DOT distributes over \$20 billion annually for highway, transit, and airport improvement projects across the nation.

To ensure that all Americans have a fair chance to participate in these

transportation contracts, Congress enacted the first Disadvantaged Business Enterprise (DBE) statutory provision in 1983. In 1987, Congress reauthorized the legislation. Among other changes, the program was extended to airports and women were added to the groups presumed to be disadvantaged. The program was continued in 1991 with the Intermodal Surface Transportation Efficiency Act (ISTEA) and then again in 1998 with the Transportation Equity Act for the 21st Century (TEA-21).

Primarily, three major DOT operating administrations are involved in the DBE program: the Federal Highway Administration (FHWA), Federal Aviation Administration (FAA), and Federal Transit Administration (FTA).

The DOT DBE program is carried out by state and local transportation agencies under the rules and guidelines in the Code of Federal Regulations Title 49 part 26.

DBEs are certified by the primary recipients of federal transportation assistance, i.e., state and local transportation agencies. These recipients establish goals for the participation of disadvantaged entrepreneurs and certify the eligibility of DBE firms to participate in their DOT-assisted contracts.

Unlike the SBA programs, DBE firms are subject to on-site reviews before a certification can be granted. They also must comply with state and local procurement rules and regulations.

To learn more about the DBE program, visit the OSDBU web site at <http://osdbuweb.dot.gov/business/dbe/index.html>. Information on certification can be received from the DBE certification officers listed under "DBE Program Contacts" on this same page.

Conclusion

The U.S. DOT and other federal agencies want to do business with small and disadvantaged firms and they use various certifications to identify these firms. While it takes some effort on your part to apply for these certifications, the benefits can be significant.

The DOT strongly recommends that all small businesses register in the SBA ProNet database. Pro-Net is an electronic gateway of procurement information — for and about small businesses.

DOT Awarded Gold Star & Agency Goaling Awards

Congratulations to Sean M. Moss and the entire DOT small business team for recently being awarded the Federal Goal Star Award and Agency Goaling Award of Excellence by the U.S. Small Business Administration (SBA).

Mr. Moss, the Director of the DOT Office of Small and Disadvantaged Business Utilization, accepted the Federal Gold Star Award which recognizes the exemplary performance of the Federal personnel within OSDBU. The award's focus is on the staff that have the primary responsibility for the aggressive goals and strategic initiatives that ensure small business a role in the Federal Marketplace.

Mr. David Litman, DOT's Senior Procurement Executive, accepted SBA's Agency Goaling Award of Excellence on behalf of Transportation Secretary Norman Y. Mineta, Deputy Secretary Michael P. Jackson, and the entire Department.

The Agency Goaling Award of Excellence is presented to a federal department or agency who has had progressive goals in the prime contract goaling category of "small business" for a minimum of three years and at least three years of progressive goals in another prime or subcontract goaling category.

The DOT OSDBU staff, small business specialists, procurement officers, and program managers in each of the operating administrations work closely together in the spirit of ONE DOT to further the Department's strategic goal to encourage and assist small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned businesses to participate in DOT, and DOT-assisted, contracts and grants.

In 2001, the Department awarded \$1.3 billion or 53.4% of its contract dollars to small businesses. The Department and OSDBU are committed to continuing this strong tradition of awarding significant contract dollars to the small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned business community. Congratulations to all the individuals at DOT who made this award possible and to all the small, veteran-owned, service-disabled veteran-owned, HUBZone, disadvantaged, and women-owned businesses who provide quality services to the Department.

The Small Business Administration is Working to Help You

The U.S. Small Business Administration (SBA) has a number of resources and tools available to assist entrepreneurs.

One of the newest products SBA is offering business owners is a resource guide that will help small businesses manage their tax information. SBA teamed with the Internal Revenue Service (IRS) to produce "The Small Business Resource Guide 2002 – What You Need to Know About Taxes and Other Topics," a CD that contains essential tax information, forms, instructions, and publications, as well as other valuable information. *The guide is available free of charge at www.sba.gov/starting (select item number five "SBA/IRS CD Small Business Resource Guide") or by calling 1-800 U ASK SBA or 1-800-TAX-FORM.*

Other recent additions to SBA's storehouse of information for small businesses are (1) free business planning software that is available at SBA training and counseling centers and (2) the latest course added to their Small Business Classroom Online Business Courses, "Entrepreneurship: Starting and Managing Your Own Business."

The "Ultimate Business Planner" software guides the small business owner through creating a business plan that can be presented to a lender, other financial backer, employees, and/or managers. *To find the nearest SBA location that has this software available at their facility go to www.sba.gov/services, or call 1-800-U ASK SBA.*

The SBA's Small Business Classroom is an online resource designed to educate and provide interactive business guidance on a variety of topics. The new course focuses on the most important areas of businesses for start-up and currently operating businesses to achieve success. *The Small Business Classroom is located at www.sba.gov/classroom.*

For more information about all of the SBA's programs for small businesses, visit SBA's web site at www.sba.gov.

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It is a search engine for contracting officers, a marketing tool for small firms, and a "link" to procurement opportunities and important information. DOT has a Memorandum of Understanding with SBA that includes, among other things, DOT's commitment to use the ProNet database.

You can learn more about ProNet and register on line at <http://pro-net.sba.gov>.

You can learn about DOT's Memorandums of Understanding and Partnership Agreements with SBA at <http://osdbuweb.dot.gov/business/legislation/dirfedcon.html>.

Program	Administering Entity	Website	Phone Number
Small Disadvantaged Business (SDB)	SBA	http://www.sba.gov/sdb	1 (800) 558-0884
8(a)	SBA	http://www.sba.gov/8abd/	1 (800) 558-0884
Very Small Business (VSB) Set-Aside Pilot Program	SBA	http://www.sba.gov/GC/indexprograms-usb.html	1 (800) 558-0884
HUBZone	SBA	http://www.sba.gov/hubzone/	1 (800) 558-0884
Office of Veterans Business Development (OVBD)	SBA	http://www.sba.gov/VETS	1 (800) 558-0884
Center for Veterans Enterprise	CVE	http://www.vetbiz.gov	1 (866) 584-2344
Disadvantaged Business Enterprise (DBE)	DOT Funding Recipients (i.e., state and local transportation agencies)	http://osdbuweb.dot.gov/business/dbe/index.html	1 (800) 532-1169

HCD International - Service is Their Business and Business is Good!

When Jean Drummond founded HCD International (HCDI) in 1991, her objective was to create a reputable and profitable company that would provide high quality professional management services. Armed with a strong desire to create change in her community, she was destined to succeed. Jean is the youngest of four siblings all of which have their own businesses.

As CEO of HCDI, Ms. Drummond was presented the Women's Business Enterprise (WBE) Award for the Federal Transit Administration (FTA) in October 2001 at the U.S. Department of Transportation's (DOT) Minority Enterprise Development (MED) Week Awards. FTA nominated the 8(a) firm for this award on the basis of HCDI's exemplary performance. HCDI provided services to assist FTA in achieving vital learning and development initiatives for the FTA workforce outlined in the FTA Strategic Plan. FTA recognized HCDI for being instrumental in providing a series of custom designed training symposia for support staff focused on improving work performance through written and verbal communication strategies, teambuilding, leadership development, and presentation skills.

The FTA support staff that attended the various workshops developed by HCDI expressed their satisfaction with the innovative approach that FTA took in providing these workshops, and their satisfaction with HCDI as the facilitator of the workshops. The topics covered in the workshops ran the gamut from networking skills to motivational skills.

HCDI applies the strategy that "the customer is first." Their corporate mission is "to provide the highest quality,

customer focused management consulting services creatively designed by professionals who are committed to 'excellence in service' and exceeding the expectations of our clients." Ms. Drummond feels that since over 80% of HCDI's business comes from returning clients or client referrals, this approach is right for the company. HCDI's gross revenue has grown over 300% since the inception of



Secretary Mineta, Jean Drummond and Dorrie Aldrich

the firm. This proof of success further strengthens the business philosophies that Ms. Drummond continues to emphasize to her staff. The keys to her success are her strong Christian faith and her ability to give her "all" to the client. She expects the same from her staff and does

Electric, U. S. General Services Administration and U.S. Department of Transportation. Based in Largo, MD, HCDI targets a client base covering the entire area from Baltimore to Washington, D.C. and beyond.

A core staff of 24 full-time and part-time employees assist Ms. Drummond in developing and implementing the services HCDI provides. They are a mix of technical writers, community outreach specialists, marketers, public relations experts, organizational development and training specialists, and health care professionals. She also retains a cadre of consultants for additional support with specialized requests.

HCDI provides a wealth of services in the areas of organizational development, training, marketing, public relations and conference planning, healthcare and community outreach initiatives, and technical writing. Each of these "foundation" areas expands to include a multitude of more selective topics. Ms. Drummond's goal of leading HCDI to become a market leader is the driving force behind a strategy to provide clients with cutting edge approaches applied to all of the business areas in the HCDI portfolio.

Congratulations to a business that really does put the customer first!



not hesitate to say "One of the greatest assets of HCDI is its staff."

HCDI's extensive client list covers a wide range in both the private and government (local to federal) sectors, such as the U.S. Executive Office of the President, Johns Hopkins University, MCI/Worldcom, District of Columbia Health Department, Baltimore Gas &

For more information, you can contact HCDI by phone at (240) 295-0140 or toll free at (800) 579-8596; by fax at (240) 295-1242; e-mail them at info@hcdi.com; or visit their web site at <http://www.hcdi.com>

Transportation Marketplace Conference Scheduled for Alabama

The U.S. Department of Transportation (DOT), Office of Small and Disadvantaged Business Utilization (OSDBU) will hold a small business conference in Birmingham, Alabama on Wednesday, July 17, 2002. The Alabama Transportation Marketplace will be held at the Birmingham - Jefferson Convention Complex, 2100 Richard Arrington Jr. Blvd. N., Birmingham, Alabama.

The purpose of Marketplace Conferences is to educate, train, and assist small business entrepreneurs currently performing or interested in transportation-related contracting opportunities. OSDBU will provide information to the small business community on how to do business with the U.S. DOT, its grantees and recipients, including information on marketing, procurement opportunities, federal regulations, certifications, electronic commerce, financial assistance, and much more.

For more information on the Alabama conference, please contact Ms. Susan Bowser by phone at (800)532-1169 ext. 65577 or by e-mail at Susan.Bowser@ost.dot.gov. Current information will be posted on the OSDBU web site at <http://osdbuweb.dot.gov/>

CALENDAR OF EVENTS FOR June/July 2002

DATE	EVENT	CONTACT
June 19-22	NAMC Annual Conference National Association of Minority Contractors Baltimore, MD	Dellanor Young (202) 347-8259 coreda@namconline.org http://www.namconline.org
June 21-23	NWBOC Procurement Fair National Association of Women Business Owners Salt Lake City, Utah	http://www.nawbo.org
July 9-13	COMTO Conference of Minority Transportation Officials San Antonio, TX	http://www.comto.org/annual.htm 1-877-782-6686
July 17	DOT/OSDBU Alabama Transportation Marketplace Birmingham, AL	Susan Bowser 800-532-1169 ext. 65577 Susan.Bowser@ost.dot.gov http://osdbuweb.gov.dot
July 27-31	2002 National Urban League Conference Los Angeles, CA	http://www.nul.org/2002conf/information.asp



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